

PURCHASING POLICY #145

Policy Administrator:	Executive Director or designee
Authority:	Section 89900 of the Education Code and Section 42400 of Title 5 of the California Code of Regulations
Board Approved:	05/08/12, 03/21/19
Updated:	02/21/19 (approved 03/21/19)
Cross References:	

Purpose: This policy provides management with regulations governing ASC purchases of equipment, materials, supplies and services necessary for ASC support service activities. All project purchases must be in compliance with ASC's purchasing policy. Purchases not covered by this policy include investment management services, insurance, employee travel, legal services and real estate.

Policy:

1. Purchases shall be made in a way which supports/facilitates competitive bidding and at the lowest cost consistent with quality, specifications, service and product availability.
2. Purchases shall follow what is customary in the marketplace for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
3. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no more than the total cost of their non-recycled counterparts.
4. Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to ASC.
5. No ASC Board member, employee or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the purchase of materials, equipment, supplies or services.
6. Authorized signers failing to follow the ASC's purchasing policy and procedures may incur personal liability or financial obligation with the vendor and may be subject to appropriate disciplinary action.
7. Sole source purchases exceeding \$10,000 on a non-competitive basis will require written justification and approval of the Executive Director or designee. The written justification should include:
 - a. Unique performance factors of the products specified;
 - b. Why these factors are required;
 - c. What other products have been evaluated, rejected and why;

- d. Special circumstances requiring immediate action.

Bidding Guidelines. Good business practices and the responsibility for good stewardship of ASC funds dictate that purchasers follow a policy of competitive bidding. Purchases are not to be segmented in order to circumvent bidding thresholds. Competitive bidding is required as follows (and the Accounts Payable department reserves the right to obtain additional bids).

Purchases under \$5,000: Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices. Price quotations will not be required.

Purchases with an aggregate value between \$5,000 and \$25,000: Informal price quotes must be obtained from three (3) or more vendors, either in writing, email or by telephone. Documentation should include date, vendor name, contact person and phone number; this should be attached to the requisition or be maintained on file for audit purposes.

Purchases with an aggregate value greater than \$25,000: A formal Request for Proposal (RFP) or Request for Quotation (RFQ) is to be solicited. Written specifications and a solicitation award process which recognizes competitive price, responsiveness to specifications, and reputation of vendors is required. Offers should generally be sought from as many responsible vendors as is practical.

Purchases for Capital Non-Construction Projects. All purchases from ASC Board approved capital budgets must be approved by the authorized signer on the account. Quotation and bid requirements as outlined above should be followed. Capital purchases not previously approved by the ASC Board are subject to the availability of funds within the applicable project and the following approvals:

Purchases of \$25,000 or less: The authorized signers for the charged account and ASC's Financial Accounting Manager must approve.

Purchases over \$25,000: Require the approval of the administrator having authority for the charged account and by the Executive Director. The Executive Director is authorized to expend beyond the budget an aggregate total of \$25,000 per quarter.

If the purchase exceeds \$25,000, the Executive Director will request the purchase be approved by the Board. Quotation and bid requirements as outlined above should be followed for all purchases.

Capital Construction Projects. The University will be responsible for capital construction projects performed on ASC buildings, including bidding and procurement, which are either on CSU or auxiliary property. Prior to starting a project, a written MOU shall be prepared and signed by both parties detailing the services to be provided to ASC by the University. ASC will compensate the University for expenses incurred as part of a project. Expenses will be, at a minimum, the cost recovery for Capital Projects & Facilities Management and Contracts & Procurement efforts.

The University will perform construction projects for ASC buildings, in accordance with the current State University Administrative Manual (SUAM) and the CSU Auxiliary Organization Compliance Guide.

Exceptions to Bidding Requirements. Purchases of inventory and raw materials for purposes of resale shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to the ASC based on quality, price, service and delivery.

Grant/Contract purchases governed by the terms and conditions of the executed agreement or agency compliance requirements.

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